

**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE OF THE
BOARD OF DIRECTORS OF THE
COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

NOVEMBER 17, 2008

ATTENDANCE

Present: Chairman Luis Muñoz, MD, MPH and Director Benn Greenspan, PhD, MPH, FACHE (2)

Board Chairman Warren L. Batts (Ex-Officio)

Absent: Director Heather E. O'Donnell, JD, LLM (1)

Also Present: Johnny Brown ó Chief Operating Officer, John H. Stroger, Jr. Hospital of Cook County; Patrick T. Driscoll, Jr. ó Deputy State& Attorney, Chief, Civil Actions Bureau, Office of the State& Attorney; Patrick J. Hagan - Lead Client Partner, Deloitte & Touche; John Morales ó Comptroller of Cook County; Deborah Santana ó Office of the Secretary to the Board; David R. Small ó Interim Chief Executive Officer, Cook County Bureau of Health Services

Ladies and Gentlemen:

Your Audit and Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System met pursuant to notice on Monday, November 17, 2008 at the hour of 9:00 A.M. at Stroger Hospital, 1901 W. Harrison Street, in the fifth floor conference room, in Chicago, Illinois.

Your Committee has considered the following items, and upon adoption of this report, the recommendations follow.

Roll Call

Deborah Santana, of the Office of the Secretary to the Board, called the roll of members and it was determined that a quorum was present.

Acceptance of the Report of the Audit Committee
for the meeting of October 15, 2008.

Director Greenspan, seconded by Chairman Muñoz, moved to accept the report of the Audit Committee for the meeting of October 15, 2008. THE MOTION CARRIED UNANIMOUSLY.

Receive status report on the recruitment process
for a Corporate Compliance Officer

David R. Small, Interim Chief Executive Officer of the Cook County Bureau of Health Services, provided an update on the recruitment process for a Corporate Compliance Officer. He stated that posting and advertising for the position has taken place; a significant number of résumés have been received. He has established a committee, headed by Johnny Brown, Chief Operating Officer at John H. Stroger, Jr. Hospital of Cook County, to perform the initial screenings.

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Mr. Brown elaborated on the progress of the screening committee. He stated that approximately twenty to twenty-five résumés have been received; 80% of them were from out-of-state applicants. The committee was asked to narrow down the applicants for Mr. Small's review, which would be followed by the presentation and review by the Audit Committee. Mr. Brown expected that the screening committee's task would be completed within the next week.

In response to a request from Board Chairman Batts for the job description and criteria, Mr. Small stated that he would provide the information¹.

UIC Compliance Program Presentation

Chairman Muñoz introduced Jonathan Bode and Dr. William Chamberlain from the University of Illinois' Compliance team. They provided a PowerPoint presentation (Attachment #1) on their compliance program, and answered questions from the Committee with regard to standards and procedures, training and education.

During the discussion, questions were raised on the System's past efforts with regard to corporate compliance. Mr. Small stated that in the past, there was a corporate compliance officer; as a result of budget issues, that position and these efforts are now largely dormant.

Director Greenspan, seconded by Chairman Muñoz, moved to create an ad hoc committee, composed of Corporate Compliance experts from the Chicago area, to coordinate with efforts to bring in the Corporate Compliance Officer and assist in the structuring and implementation of the program. THE MOTION CARRIED UNANIMOUSLY.

**Review, discuss and approve selection of an external independent auditing firm
to handle the financial auditing of the System**

Chairman Muñoz, seconded by Director Greenspan, moved to recommend that the Board retain Deloitte & Touche as the external independent auditing firm. THE MOTION CARRIED UNANIMOUSLY.

**Review and discuss the Request for Proposals
for outsourcing internal audit functions**

Mr. Small provided an update on the development of the Request for Proposals (RFP) for outsourcing internal audit functions. He stated that Pitt Calkin, Interim Chief Financial Officer of the Cook County Health and Hospitals System, has been working on the draft RFP; the draft is finished and has been sent to the State's Attorney's Office for their review. After the State's Attorney's review, the finalized draft will be sent to the members of the Audit Committee for their review and input. There is a very rapid turn-around time for the process; once the RFP is issued, he expects that recommendations will be made to the Board with regard to the selection of those responding to the RFP before the next Audit Committee meeting.

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Miscellaneous

Patrick J. Hagan, Lead Client Partner at Deloitte & Touche, provided the members with information on Deloitte & Touche's Center for Corporate Governance. The Center provides helpful information, including summaries of best practices and thought pieces on corporate compliance.

Public Comments

Chairman Muñoz asked the Secretary to call upon the registered public speakers.

The Secretary informed the Chair that there were none.

Adjournment

Director Greenspan, seconded by Chairman Muñoz, moved to adjourn. THE MOTION CARRIED UNANIMOUSLY AND THE MEETING WAS ADJOURNED.

Respectfully submitted,
Audit and Compliance Committee of the
Board of Directors of the
Cook County Health
and Hospitals System

XXXXXXXXXXXXXXXXXXXX
Dr. Luis Muñoz, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXX
Matthew B. DeLeon, Secretary

The following was requested or was indicated as a follow-up item at this meeting:

¹ Follow-up: Request from Board Chairman Batts for the job description and criteria for the position of Corporate Compliance Officer. On page 2. (David Small)

Ad hoc committee created:

Composed of Corporate Compliance experts from the Chicago area, to coordinate with efforts to bring in the Corporate Compliance Officer and assist in the structuring and implementation of the program. On page 2.

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ATTACHMENT #1

Developing and Implementing an Effective Compliance Plan

**Lessons learned from the
University of Illinois Medical Center**

Compliance with What?

- An “alphabet soup” of regulations:
HIPAA, EMTALA, DRA
- The regulatory agencies and their surrogates are legion: CMS/HHS, IL DDFS, RACCs, Joint Commission, to name a few
- Federal, State and Local laws – but few definitive answers

What does an effective compliance plan do?

- “Compliance efforts are designed to establish a culture within a hospital that promotes prevention, detection and resolution of instances of conduct that do not conform to Federal and State law.”
- *HHS OIG Compliance Program Guidance for Hospitals*

What are the Elements of a Compliance Plan?

- 1. Standards and Procedures**
- 2. Compliance Oversight**
- 3. Education and Training**
- 4. Effective Communication**
- 5. Auditing and Monitoring**
- 6. Disciplinary Procedures**
- 7. Corrective Action and Prevention**

History of UIMCC Compliance Plan

- 1999: Draft corporate compliance plan prepared
- 2000: HHS OIG initiates investigation into UIMCC liver program
- 2003: OIG reaches settlement with UIMCC, requiring annual reporting for 3 years

First Steps for Developing a Corporate Compliance Plan

- Take stock of compliance-related programs already in place
- Perform a risk assessment. Common risk areas: gifts and gratuities, Stark and Anti-kickback statutes, HIPAA, cost reporting
- Develop a hotline so staff can report concerns anonymously and without fear of retribution

Getting the Word Out

- Make annual compliance training mandatory for all managers and staff
- Customize training to the functional unit and its unique risks
- Make your compliance plan and organizational structure transparent
 - Centralized vs. decentralized
- Post the hotline number **EVERYWHERE**

Is your program working well?

- Ongoing auditing and monitoring is the key to an effective compliance plan
 - Identify the problem
 - Define the metrics and measurement tools
 - Create and implement an action plan based on the results of your audit
 - Audit again to measure improvement
- Develop a single point of contact for regulatory bodies

**What is your biggest
compliance risk?**

**DEVELOPING A COMPLIANCE PLAN...
AND NOT IMPLEMENTING IT.**